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THE SEVENTY YEAR OLD STALIN

"The Lenin of our days", "The greatest and most significant of our contemporaries", so Barbusse, the great French writer wrote about him ten years ago. And the passing years only made his stature greater. Today when we celebrate his 70th birthday not only the people of the Soviet Union turn to him with great love; not only the hundreds of millions of people of the People's Democracies and the liberated people building Socialism send him their best wishes and regards, but every partisan, every fighter for peace and human progress all over the world celebrates with them, rejoices with them. Never since the history of humanity was written, never has there lived and worked such a leader of liberated peoples, with wider, deeper, more lasting influence and authority, surrounded with such fervent love and respect of so many hundreds of millions, as the leader and teacher of the working people of the world — Stalin. He is the ideal of every Communist, Socialist, and consistent democrat all over the world. And as a quarter of a century ago, to Lenin, so now they look to him as their leader and beacon.

Stalin, who as Lenin's right hand, built shoulder to shoulder with him, the great Bolshevik Party, who fought on Lenin's side to bring about the world shaking victory of the October Socialist Revolution, used to say modestly: "I am only Lenin's disciple and my object is to be a worthy disciple". And what shall the disciple be; what are the attributes for the leaders of a new type — a Leninist type? He spoke about this also: "They should be as clear and determined, as fearless in struggle, as free from even the shadow of panic, as merciless toward the enemy of the people, as wise and cautious in deciding the complicated political problems where there is need for all-embracing knowledge, as just and as people-loving as Lenin was.

"Lenin taught us that only those leaders could be real Bolshevik leaders who not only teach the workers and peasants, but also learn from them."

The Leninist type of leader must be in command of the power of conviction; he must know how to argue in a simple manner, clearly, briefly, so that everyone should understand

him. He shall not whine over defeat, and shall not be conceited in victory. He shall weigh soberly the strength of the enemy to ensure his Party against possible surprises. He shall have faith in the creative power of the masses. He shall possess brilliant insight, the ability rapidly to grasp and divine the inner meaning of impending events. He shall never compromise on questions of principle: "A policy of principle is the only correct policy".

To us, to the modest disciples and co-workers of Stalin, it is clear that this definition of the leader of a new type, of a Leninist type, is synonymous with everything that characterizes the work of Stalin. He is the outstanding and only personification of this ideal. We continually observe in the so-called great men of the bourgeoisie that they preach water but drink wine, their deeds belie their words. How Stalin put into life these Leninist requirements, let his closest co-worker, Comrade Poskrebyshv, tell:

"Everything about this great man amazes one. His uncompromising steadfastness to principle in solving extremely important and complex problems, which have confused very many minds. His clarity and stern logic; his unexcelled ability to grasp the fundamental, the principal, the new and decisive thing in a problem, upon which all the rest depends. His encyclopedic knowledge, constantly supplemented in the process of creative, constructive work... His repeatedly proved and unique gift of historical foresight. His iron will, which breaks down all obstacles, once the goal is set. His Bolshevik passion in the fight. Fearlessness in face of personal danger and at sharp turns in history that are pregnant with serious consequences."

"Like Lenin", said Comrade Mikoyan, "he is the personification of profound love for mankind and of the self-sacrificing struggle for its complete emancipation, for its happiness. Flabbiness and tolerance towards the enemies of the people are alien to Stalin's nature. Stalin is cautious and calculating in arriving at decisions. Stalin is bold, courageous and inexorable when a decision has been taken and it is time to act. Once the goal has been set and the struggle for it has started, there

must be no deviation, no dissipation of forces or distraction of attention until the main object has been achieved, until victory is assured. Stalin is a man of iron logic. One thesis follows from another with rigid consistency; one serves as the basis of the next...

"The road to many of the brilliant victories of Bolshevism ran through temporary defeats. At such moments, Stalin's personal qualities as a man and revolutionary amaze all those around him. He is fearless and bold; he is unshakable; he is cool and calculating; he cannot tolerate waverers, grumblers and snivellers. And after victory has been achieved, he remains calm, restrains those who are too elated; he does not rest on his laurels but transforms the victory into a springboard for the achievement of further victories."

These are the qualities which placed Comrade Stalin at the head of the great Bolshevik Party, the powerful Soviet Union, and of the world-wide anti-imperialist peace front. Comrade Stalin on his 50th birthday answered his well-wishers: "Your good wishes and greetings I credit to the great Party of the workingclass which bore and reared me in its own image".

Stalin in his estimable modesty speaks only of the Party rearing him, but we know how he reared the Party. All of us know and appreciate the immeasurable influence which Stalin exercised on the unfolding and perfecting of the great Bolshevik Party. Marx said that the transition from capitalism to socialism is the decades lasting epoch of peoples wars and revolutions during which the people change their social relations and, in the process, themselves change. Apart from Lenin, Stalin is the greatest epoch changing, epoch making man known to history. He who recognizes the role Stalin played in the organization and activities of the forces which changed the world — the Bolshevik Party of the Soviet Union, the Communist International, the Information Bureau of the Communist Parties and Workers Parties — must recognize this also.

Kirov, the great revolutionary, when he spoke a decade and half ago of Comrade Stalin as "the great organizer of great victories" said:

"During the last years since we work without Lenin, we know of no single turn in our work or policy, nor of any important initiative, slogan or orientation which was organized by anyone else but Comrade Stalin. Every important task, and this should be known to the Party, is conducted according to the guidance of Comrade Stalin, on his initiative, under his leadership. The most important problems of international policy are decided with his guidance, and he is interested not only in the great problems, but also

in the seemingly third rate, or even tenth rate, problems if these concern the workers, peasants and all working people of the country... Everything, which in the present stage of our work guides the building of socialism, originates with him."

Of these third rate or tenth rate problems, Comrade Stalin used to say: "Don't neglect the small things; from the small come the big". Comrade Stalin has that sixth sense with which he perceives the almost unnoticeable changes. He hears the growth of the grass, and from the sprouting seed he visualizes where the shade of the shade tree will fall. Many of his pronouncements would appear as prophecies if we would not know that behind this foresight there is the whole scientific arsenal of Marxism-Leninism. In the autumn of 1927, when the whole reactionary imperialist world was jubilantly proclaiming the "final" defeat of the Chinese revolution, Comrade Stalin uttered the prophetic words: "Only the blind and the fainthearted can doubt that the Chinese workers and peasants march toward a new revolutionary victory".

Today the victory of the Chinese revolution is a fact, and with this victory was sounded the death knell for the whole imperialist colonial system. Stalin said in 1928 of the most developed capitalist countries that "to achieve the final victory of socialism, we must reach and surpass the technique and economy of these countries. Either we achieve this or they destroy us". After overcoming all difficulties, the realization of the five year plans made possible that more than a decade later, after the decisive battle, not the Soviet Union but fascism remained destroyed on the field.

The sharp-sightedness with which Stalin sees the great in the small, the whole flower in the bud, is accompanied by the art of organization, the welding of theory with practice, which so characterized Lenin.

Death took Lenin early when, after the victory of the revolution, he began to work out the goals for building socialism. The brunt of the work then devolved on Stalin.

Marx said that it is not sufficient to know the goal, one must know the road to it. Stalin solved this problem; he chartered every branch of the road to socialism. First of all he protected the creative, revolutionary Leninist principles against the traitor trotskyites and, in the relentless struggle against them, he realized the Leninist theory that it is possible to build socialism in one country. With the Stalinist five year plans, with the new socialist work methods, with the Stakhanovite movement, with work competition, Stalin changed the Soviet Union from a backward agricultural country to a powerful industrial country.

He realized Lenin's idea about village cooperatives with the collectivization of agriculture and showed the method for building socialism in the country-side. The Stalinist constitution is an example how the State of a socialist society is built. During these labors he systematized the strategy and tactics of the proletarian liberating struggles, clarified the problems of the revolutionary proletarian parties, the national question, continued and extended the theory and practice of Lenin and all his great works. He pointed out that the people's democracy is the new way to building socialism and on the basis of his guidance we evolved the principles of the People's Democracies.

Stalin's writings, first of all the "Problems of Leninism" and the "History of the Communist Party (Bolshevik) of the Soviet Union", are today already the textbooks of progressive mankind. Every word of these concise, clear writings, is precise, studied and finds its aim as does the bullet of the sharpshooter. It is no accident that they become the spiritual bread of hundreds of millions and from them studies and learns, every Communist, every builder of socialism the world over.

A special chapter is the labor of Comrade Stalin which established the Soviet Army. In this he is the loyal, fighting comrade of Lenin; the great man who continues and perfects the work of Lenin. In his military genius, which was already demonstrated during the imperialist intervention and civil war following the October Revolution, the defense of Tsaritsin in 1919, we already glimpsed those lion claws which mortally wounded the German fascist beast in 1942 at Stalingrad. But Stalin, the military commander, proved to everyone, particularly in the Second World War, the superiority of Marxist—Leninist strategy and tactics. In this war not only the superior Soviet Army conquered the imperialist army, the Soviet State the fascist state, the socialist industry the capitalist industry, the collective agriculture the private agriculture, but the so-called invincible German generals were defeated by the superior Stalinist military science, by the Marxist—Leninist military strategy and tactics which Stalin personified. This generalship calculated and applied — beyond the given "rules and regulations" of war — the class struggle of the working people, their striving for liberty, the whole arsenal of socialism.

The victory and the might with which the powerful Soviet people, under the leadership of Stalin, first stopped and then destroyed fascist barbarism, opened a new page in the history of mankind. When the Soviet army stopped, then turned back and dispersed the filthy fascist hordes, then with this heroic

self-sacrificing struggle they saved the whole European civilization, and with this great deed swung to the head of the whole progressive mankind. There lives indelibly in the memory of the whole world that tense waiting when everyone turned with bated breath toward Stalingrad, and that happy feeling of liberation and exaltation which the annihilation of the fascist hordes brought.

And now five years after the victory when mankind is again threatened by new danger — the imperialist effort for world domination and a new third world war — now again the strong wise Stalin-led Soviet Union is the dam against which the filthy waves of the war mongers will break. The imperialist front, led by American capitalism, took over the joint goal of German and Japanese fascism; and it is now America who would like to have the whole world under its feet. But with the destruction of fascism, and since then, the relation of forces have basically changed and continue to change from day to day to the advantage of the peace front led by the Soviet Union. Comrade Malenkov aptly stated that the First World War ended with the establishment of the Soviet Union on one sixth of the earth; following the Second World War already 800 million people are building socialism; and, if the imperialists would start a third world war, it would mean the end of world capitalism.

The peace-protecting, anti-imperialist, ever deeper and wider world front has at its head Stalin, just as it had in the life and death struggle for the destruction of fascist barbarism and for the saving of civilization. Again Stalin is the symbol of creative peace; of the better future. Again around his person evolves the hope and love of the hundreds of millions of working people, plagued and threatened by the sabre-rattling imperialists. "Stalin is our peace", this is the slogan with which, on his 70th birthday, will lineup behind him proudly and militantly the whole of progressive mankind.

And behind him too line up the Hungarian working people who, after such suffering, returned again to the great Family of nations defending their liberty and peace; to the camp where the most glorious pages of their history directed them. For the first time in centuries, we freely and independently build our country. We can build it in the interest and welfare of the working people, of the workers, peasants, the progressive intelligentsia. The grateful Hungarian nation will never forget that in their horrible plight, after the fascist barbarians were driven out, the helping hands of Stalin and the Soviet Union stood them on their feet. Big-heartedly and generously Stalin spread a veil over the past, while always

making a careful distinction between the Hungarian people and the Horthy system. The western imperialists, who during the war rather encouraged than attacked Horthy, now do not miss an opportunity to throw up to us the crimes of Horthy and his gang, to harm the country of the working people, to restrict their independence, to interfere in their internal affairs. If we are now able to live independently and peacefully and successfully build socialism in our country, we can thank not only the fact that, when struggling against difficulties we can always count on the understanding help of Stalin, but also the fact that the shield of the powerful Soviet Union defended us, defended our peace.

The Hungarian people know this and are grateful for it. The exposure of the traitors and provocateurs — the Tito gang — showed in these months that our country would have again become the battlefield of the bloody adventurers, of the war inciters, if the mighty arm of the Soviet Union were not there to defend us. The Hungarian working people know, and are grateful, that their leader, the steady-handed Hungarian Working People's Party, at the wheel of their so tossed about ship, follows in the footsteps of Stalin; that the Hungarian Communists are his disciples, and that their successes grow to the extent to which they acquire and apply Stalinist teachings.

And the Hungarian people see in Stalin not only the mountain eagle, but with the deep healthy instinct of working people sensed and understood that behind the mountain eagle and the epoch making leader, there is the warmhearted, flesh and blood, man. They felt and took to their heart the understanding friend of the workers who struggles with thousands of problems — the liberator of

oppressed women, the door opener of the young people's future — to all of us personally close — "our father Stalin".

The gifts we sent on Comrade Stalin's birthday, which were prepared enthusiastically and lovingly by all sections of our population, workers and peasants, engineers and artists, men and women, young and old, merely suggest the feeling of the grateful Hungarian people. But what Comrade Stalin's name really means to our working people is proven better than with words, is proven with the Stalinist extra work offerings.

For long months we exerted all our energy to establish socialist work competition in our country, but we achieved no decisive successes. But when we asked the working people to celebrate the 70th birthday of our beloved Stalin with work offerings, the ice suddenly broke. Like water breaking through a dam, so did the wave of creative work swell, and like magic there appeared the Hungarian Stakhanovites, the Pozsonyis, Muszkas and the others. Only now, with the Stalin offerings, did the work in our country become "a cause of honor and glory", and the words of the Stalin Cantata "With the name of Stalin the world is built" became reality.

The Hungarian people line up like one man in the powerful camp of the celebrating hundreds of millions. And among the resounding well-wishers from all parts of the world there roars the voice of the Hungarian people also —

Long live and prosper the solid bulwark of world peace, the powerful Soviet Union.

Long live with all his creative power, the leader of progressive mankind, the great creator of socialism, the wise, the strong, the beloved Stalin.

THE HUNGARIAN PEOPLE CELEBRATE COMRADE STALIN'S 70th BIRTHDAY

The Hungarian working people, together with the people of the entire world, celebrated on December 21st the birthday of Comrade Stalin, the leader of all progressive mankind. The birthday preparations and celebrations expressed the tremendous devotion and deep gratitude for Comrade Stalin which is indelibly rooted in the Hungarian people.

The preparations started October 15th with the organization of the "Government Committee for the Preparation of Generalissimo Stalin's Birthday". The Hungarian working class prepared with vigorous work never witnessed before for the birthday of its beloved teacher and liberator. On October 29th, the Ganz Electric Factory workers entered into socialist competition in honour of Comrade Stalin's birthday. All of the country's factories entered into this competition. The results of the Stalin socialist competition surpassed anything hitherto accomplished. This affection for Stalin was the inspiration for the beginning of the Hungarian Stakhanovite movement which resulted in the outstanding workers increasing production several hundred, in fact several thousands, per cent.

Our workers prepared during the Stalin socialist competition for the Stalin Shift. They prepared so that on Comrade Stalin's birthday, on December 21st, the results of the socialist competition should surpass the highest of socialist achievements. These mighty achievements of the Stalin Shift were shown by Ede Horváth, turner at the Győr Waggon Works who increased his production from 2,257 per cent to 4,123 per cent; Ödön Ferenci, moulder, who did 1,167 per cent; András Kucacska, a young textile worker of the Kistext Factory, who increased his production from 46,000 metres of flannel to 81,778 metres; and the tremendous achievements of tens of thousands of other workers.

The results of the Stalinist socialist competition and the Stalin Shift eloquently express the Hungarian peoples devotion and gratitude toward the great Stalin. The Hungarian working class, under the leadership of its Party, with its work and struggle over a period of five years, stood in the forefront in the building of the

new country. The Hungarian working class, following the lead of the Party and Comrade Rákosi, followed the teachings of the great Bolshevik Party and the mighty Stalin, on Comrade Stalin's birthday it lifted the banner of work to the greatest heights. During the Stalin Shift, the love, gratitude and thanks towards Stalin multiplied the growing consciousness and creative energy of our working class, and impelled it toward extraordinary achievements. The Hungarian working people, the workers of the factories, the cities and villages prepared gifts by the hundreds as a token of their love for Comrade Stalin. These gifts mirror the achievements of the Hungarian working people. The most beautiful of the gifts were exhibited in Budapest at the Art Gallery where, for four days, almost 100,000 people viewed them. The gifts of the Hungarian people, the Hungarian Republic and the leading party of the country, the Hungarian Working People's Party, were taken to Comrade Stalin by Imre Muszka, Stakhanovite turner, and Mrs. Mihály Berki, peasant, governor.

During these weeks, the people of the entire country turned with increased interest to becoming acquainted with the life work of Comrade Stalin. The reading circles by the hundreds throughout the country studied Comrade Stalin's biography. A proof of this interest is the popularity of his works which were published on his birthday. The publications that appeared (J. V. Stalin's Short Biography", "Old Workers About the Great Stalin", by Vera Sveicer, Stalin in Turuchansk Exile", etc.) in a large number of copies yet proved to be insufficient; our working people snatched them up. Especially great interest was displayed for the series of coloured pictures and the picture album depicting the life history of Comrade Stalin.

On the occasion of his birthday, the Hungarian-Soviet Society opened an exhibition in Budapest and in 200 cities and villages throughout the country entitled "The Great Stalin's Heroic Life". These exhibitions have already been visited by a tremendous number of people and this number is constantly increasing.

On December 20 and 21st, birthday celebrations were organized throughout the country. On the evening of December 20th in Budapest and in the cities of the provinces, and in very many villages, the youth held torch-light parades, joined everywhere by the grown-ups in great numbers. On this evening, in the capital — and in the other cities, on the day following — the film "The Battle of Stalingrad" was shown.

The celebrations which were held in the schools in the entire country were prepared jointly by the parents, the students and the teachers.

On the evening of December 21st, in the Budapest Opera House, a gala programme was arranged by the Government Committee and the Hungarian-Soviet Society in honour of Comrade Stalin's birthday, at which Comrade Ernő Gerő spoke. Presented on the programme were works prepared for the occasion by Hungarian poets and composers. The gala performance was broadcast by the radio and, large group audiences listened to it throughout the country.

On December 21st, in the cities, the villages and the hamlets throughout the country, the celebrations arranged by the People's Front mobilized the greatest number of people ever involved before. All the celebrations drew overflow crowds, and large numbers stood in the cold streets listening to the programmes over

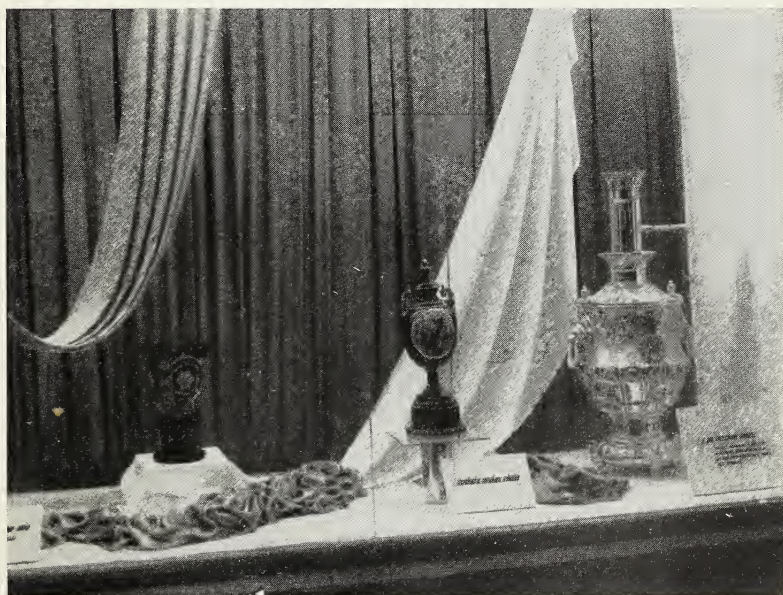
the loudspeakers. The theatres and the cinemas everywhere on this day featured Soviet films and plays together with a brief celebration.

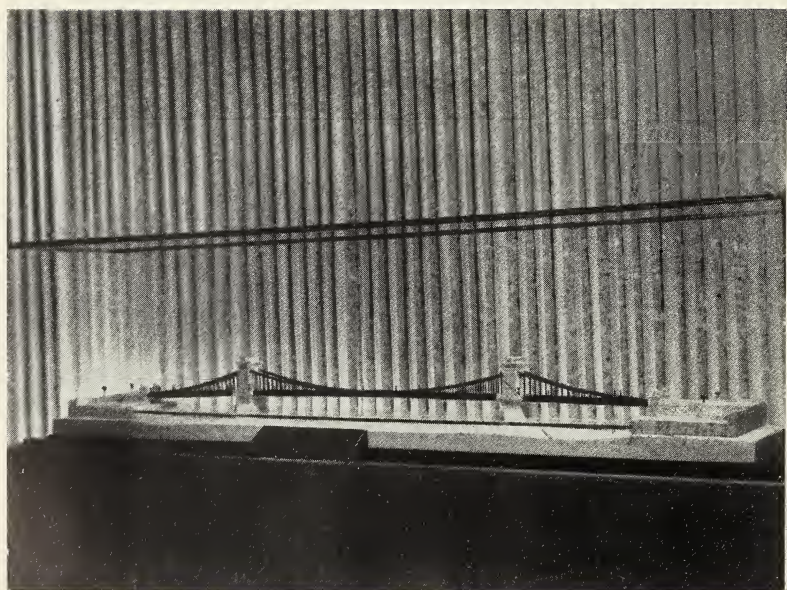
The feeling of affection and gratitude was also evident in the festive appearance of the entire country. For many days prior to the actual birthday, with enthusiastic work they decorated the cities, villages, enterprises, the public buildings and houses. The workers of the enterprises, the villages, and the hamlets competed with each other as to whose decorations would be the most beautiful for Stalin's birthday.

On the evening of December 21st, the birthday celebrations were climaxed with fireworks and artillery salvos on Mt. Gellért arranged by the Army.

The Hungarian working people, welded into one with the progressive people of the world, celebrated Comrade Stalin's birthday. These celebrations, foremost of which were the competition and the Stalin Shift, showed the tremendous attachment and love which fill the Hungarian people for the leader of the peace camp, for the foremost guardian of their independence, towards the Soviet Union and Comrade Stalin. It is by following this road that the Hungarian people are building their own country with Stalin's name, just as the whole world is being built with his name.

AT THE EXHIBITION OF PRESENTS PREPARED BY THE HUNGARIAN
PEOPLE ON THE OCCASION OF COMRADE STALIN'S 70TH BIRTHDAY





WITH THE FIVE YEAR PLAN TOWARD SOCIALISM

SPEECH DELIVERED IN THE PARLIAMENTARY DEBATE ON THE FIVE YEAR PLAN

The Five Year People's Economic Plan Bill which Parliament discusses today is a natural consequence, and at the same time an important link in the chain, of the great development which occurred in our country since its liberation by the glorious army of the great Soviet Union. Generally, four or five years is not a long period in the history of a country. But of these four years, we can say without exaggeration, that this relatively short period has brought a decisive turn in the history of our country. During these few years, the rule of the big capitalists and big landlords was abolished, and all forms of exploiting class rule has ceased. During these few years, the working people became the masters of their country — the people took the reins into their own hands.

During these few really historic years, the people became the masters of the country. Under the leadership of the Communist Party and Comrade Rakosi, the workingclass reconstructed, with phenomenal speed, our war devastated country. With the friendly help of the Soviet Union, enriched with the experiences of the Soviet Union, leaning on the Soviet Union, and in alliance with the People's Democracies, we started on a new and hitherto untraveled road in Hungary — on the road to building socialism.

The Three Year People's Economic Plan which, as is known, was initiated and developed by the Communist Party — thanks to the Hungarian workingclass, to our working peasantry, to the devoted and often heroic work of our loyal intelligentsia — guaranteed not only the speedy reconstruction of our country but created, at the the same time, a solid foundation for our new Five Year Plan.

THE COMPLETION OF THE THREE YEAR PLAN

We know that we will complete our Three Year Plan in a much shorter period than was scheduled. It is also known that because of the great successes in the first year of our Three Year Plan, and on the initiative of the workers, our Party and government put the task to the

people to complete the Three Year Plan seven months ahead of time. But it is not known as yet that in the field of investment the Three Year Plan is already surpassed; that on November 30th, at 12 noon, our heavy industry generally completed its plan and that, in total value, the whole Hungarian industry will complete the Three Year Plan by December 15th.

In general, our Three Year Plan is completed almost eight months ahead of schedule. It must be stated however that the execution of the Plan is not entirely even because, while industry as a whole will have completed the Plan before the final date, some sections of industry, and the production of some products, lag behind others. Especially striking is the great progress in the growth of heavy industry production. This is seen in the preliminary data: the heavy industry completed the Plan estimate for November by 125.5%, and the January—November 1949 period Plan estimate by 110.4%. In the light industry the Plan estimate was not only surpassed in November but in all the preceding eleven months. Here however the over-fulfillment is on a smaller scale. No matter how gratifying the great accomplishment of our whole industry is, and especially that of heavy industry, we cannot overlook the fact that behind the generally good results there was unevenness in the execution of the Plan. In our future work we must exert all effort to gradually eliminate this and to guarantee uniformity in the fulfillment and over-fulfillment of our plan in all fields.

We still have three weeks to the end of the year; and if we take into consideration the great momentum of our production competition — the Hungarian Stakhanovite movement which unfolds before our eyes and brings forward our production with greater and greater tempo — then it is certain that by the end of the year we will have considerably surpassed the aims of the Three Year Plan in all fields.

The Three Year Plan stipulated that by August 1, 1950, the end of the Plan period, industrial production should exceed by 27% the production level of the last pre-war year.

Actually however the production of our manufacturing industry already has exceeded

by 40% the production level of 1938. But not only the pre-war level was left far behind; even the peak war production was exceeded by most branches of industry, among them the decisive industrial branches. Our steel industry and machine production today is on a much higher level than ever before in the history of Hungarian industry.

The Three Year Plan stipulated that by 1950, the end of the Plan period, we should attain the level of the average ten year agricultural production of pre-war.

Actually however agricultural production already in 1949 has almost reached, and in many fields even surpassed, the pre-war level. Outside of statistics, this fact is testified to by the abundance of food in Hungary, the abolition of rationing and the continual downward trend in food prices.

The Three Year Plan stipulated that by the end of the Plan period our transportation must reach, and in certain aspects surpass, pre-war performance.

Actually however our railways in October of this year carried 43% more tons per kilometers than in the corresponding month in the pre-war year.

The Three Year Plan estimated the investment in our people's economy during the Plan period, namely during the three years, of 6585 million forints value, based on January 1947 prices.

Actually however by the end of this year, in altogether two years and five months (the remaining three weeks' investment sum is figured on the basis of the last three month average) we will realize an investment of 9686 million forints which calculated on January 1947 prices corresponds to 7799 million forints. So in two years and five months the invested sum is 18.4% greater than we were to invest in three years.

THE STANDARD OF LIVING IS 37% HIGHER

The Three Year Plan stipulated that by the end of the Plan period the standard of living of the average person should reach and surpass by about 8% the pre-war standard of living.

Actually however the average standard of living is now already 37% higher than pre-war. The ten year average of meat consumption before the war was 23.7 kilogramme; today it is 28.5 kilogramme (1 kilo — 2.2 Lbs.). Sugar consumption rose from 9.25 kilo to 17.60 kilo, almost double the amount. The consumption of milk and dairy products has considerably increased. The use of household electric current increased by 40% and household gas use by 60%. Tobacco consumption almost tripled.

The high tobacco consumption it seems however did not cause any harm because the mortality per one thousand decreased from 14.4 in 1938 to 11.5 in 1948. In the same periods, the natural increase in population rose from 5.7 to 7.8, and the number of marriages from 8.2 to 10.7. While before the war, in the years of 1930—38, the average yearly deaths from tuberculosis were 160 per one hundred thousand population, and other contagious diseases 70, now in 1948 they are respectively 108 and 28.

Our people became healthier, thanks to the Three Year Plan, thanks to the People's Democracy building Socialisme.

A BETTER EDUCATED PEOPLE

Our people not only became healthier, but also better educated. In 1937—38 there were 1,096,000 students in elementary and secondary schools. Compared to this in the 1948—49 school year there were in these schools, and the schools for those who are employed, 1,214,000 students. In other words there are today 118,000 more students in the lower grade schools than before the war. In the middle schools there were 54,000 students in the old Hungary and today almost 87,000 students. This means that 33,000 more students attend secondary schools today than in old Hungary. In 1937—38 there were 11,800 students in the colleges and universities and today, in our various universities and colleges, more than 28,000 people study — an increase of 16,200. In addition to this the number of students in the engineering and technical universities increased eightfold over pre-war figures. More than one-third of the university and academy students were workers from large factories, while before the war their number was practically nil.

With the successful realization and over-fulfillment of our Three Year Plan, we created a really solid foundation for the greater and even more rapid development of our people's economy and country and for the prosperity of our people. The new year, with which our Five Year Plan also begins, finds a healthy economy a people swelling with the joy of life, believing in their future and fired with the desire to create.

MASS MISERY AND UNEMPLOYMENT IN THE CAPITALIST COUNTRIES

An entirely different situation exists in the capitalist countries. The capitalist countries sink deeper and deeper into the economic swamp. In the United States industrial production fell by 22% in one year. In Italy steel production dropped in one year by 10%, iron by 30%, metal industry production by 26%. In France the present production of industry

is 17% below the prewar level. Parallel with the drop in production the number of unemployed is rapidly increasing. So according to official data, the totally unemployed in the United States of America has already reached four million and together with those only partially employed number fourteen million. In Italy there are two and half million totally unemployed and number six and a half million together with those only partially employed.

The burden of the economic crisis is pushed by the capitalists on to the shoulders of the workers. Therefore, real wages are constantly falling. The conditions of the workers are becoming worse; mass misery and want is growing. In France, for example, prices since 1946 rose by 165% while wages rose only by 83%. In Italy the average real wages at present are only 87% of pre-war. In England, food consumption is much lower now than before the war. These facts are confirmed by an official British publication which in an article on November 1949 under the title "What is the British citizen eating" states, among other things, that a British citizen may buy on weekly ration, 22.7 decagrams sugar, 27 decagrams mutton, 1.75 liter milk and 5.7 decagrams fat. From this we can see that the poor citizen of capitalist England must really content himself with very little. The British citizen can buy meat, fat, ham, milk, butter, cheese, porkfat, margarine, sugar, eggs, tea, preserves, candies, chocolate and powdered egg on ration card only. According to official British statistics the calory value of food consumed per person in eggs is 40% lower than before the war sugar 30%, meat 40%.

That is the picture of the situation of the working people in the capitalist countries, in the infamous home of the Marshall Plan and in those countries which receive the so-called "blessings" of the Marshall Plan. But not everyones fate is equally bad in the capitalist countries. The big capitalists cannot complain because they pocketed, and pocket, ever greater profits not only during the war but even after the war. So in the United States of America — according to American official statistical data — the net income of the corporations rose from a yearly average of five billion in 1939 to 21.2 billion in 1949, more than quadrupled. During the same period in England the income of the corporations increased by 250%. In France from 1946 to 1949 the profits of the corporations increased by 236%.

BASIC CHANGES IN THE STRUCTURE OF OUR SOCIETY AND PEOPLE'S ECONOMY

Only when we compare the steeply upward development of our country, the rapid and constant growth of our people and economy,

with conditions in the capitalist countries can we fully appreciate the important change in the life of our country which began when the glorious Soviet army — carrying out the order of the great Stalin — liberated our fatherland from the rule of the German imperialists and at the same time destroyed the state power of the Hungarian big capitalists and landlords, the oppressors of the people. Only in this way are we able to estimate the extraordinary importance of the fact that, following liberation, our country finally split away from the rotten oppressive system of imperialism and entered the ranks of the nations building socialism. Only in this way can we correctly measure the blessings the successful realization of the Three Year Country-building Plan brought to our people.

As the bill before us emphasizes, during the successful realization of our Three Year Plan there were basic changes brought about in the structure of our society and people's economy. 92% of the manufacturing and mining industry became the property of the people and of the people's State. The banking system, foreign trade, and the internal wholesale trade, was entirely nationalized. 30% of all retail transactions are conducted by the State and co-operatives.

We started the buiding of socialism in agriculture and 7% of the whole arable land of the country is in the hands of the State and producer cooperatives. Our State became the state of the workers and the working peasants, it became a People's Republic in which power is exercised by the working class allied with the working peasantry.

THE FIVE YEAR PLAN WILL BRING VICTORY TO THE CAUSE OF SOCIALISM

Honoured members of Parliament: The main task of our Three Year People's Economic Plan was to reconstruct and restore our people's economy which was greatly shattered in the fascist war and, to a considerable extent, destroyed. The main task of the Five Year People's Economic Plan now offered for adoption is entirely different from that of the Three Year Plan. The main task which must now be solved is the transformation of our whole people's economy and its organization on an entirely new foundation. Now the main task is to speed the industrialization of our country and the rapid development of the heavy and machine industries in order to guarantee the large scale development of our light industry, the modernization of our transportation, the mechanization of our agriculture, the consolidation of our national defense and national independence and the further material and cultural betterment of our people. The main

task now is not only, through speedy industrialization, to liquidate the relative backwardness of our industry, but to liquidate also the centuries-old backwardness of our agriculture. The main task, as the bill states, is to transform our country from an agrarian-industrial to an industrial-agrarian country, namely, to such a country in which the weight of industry is decisive but which has a developed, modern agriculture.

In broad outline the main task of the Five Year People's Economic Plan is to lay the foundation for socialism in our people's economy not only in the city but in the rural districts as well; in essence to bring the cause of socialism to victory in the whole Hungarian people's economy.

INVESTMENT PROGRAM

The bill before parliament starts out from these realizable main tasks when it determines the fundamental index figures of the Five Year Plan. Our bill for the Five Year Plan period estimates a 50.9 billion forint investment in the Hungarian People's Economy. According to the provisions of the bill, 21.3 billion forints, of the 50.9 billion forints is for investment in industry and, of this, 18.3 billion forints for investment in heavy industry and 3 billion forints in light industry. For agriculture we propose 8 billion forints investment with the understanding that this sum together with the other investments directly serving agriculture should reach 12.5 billion forints. The bill provides 7.5 billion forints for the development of transportation; for housing, village, town and city development, health protection, social and cultural investment altogether 7.4 billion forints. Finally, it provides for the development of commerce, 900 million forints. In addition, learning from the experiences of the Three Year Plan, we propose that we should keep in reserve 2.5 billion forints for investments which may become necessary during the execution of the Five Year Plan and cannot now be foreseen; and 3.3 billion forints for essential investments entailed in preparing the next five year plan.

The sum proposed in this bill for investment is considerably higher than the amount indicated about eight-ten months ago. The question was raised as to how it is possible, and why it was necessary, for the bill before Parliament to provide 50.9 billion forints for investment instead of the anticipated 35—37 billion forints.

The increase in the investment sum was made possible and necessary first of all by the fact that by the end of 1949 our industrial production reached a much higher level than was anticipated at the beginning of the year even considering the accelerated pace with which the

Three Year Plan was executed. Therefore the starting point for the Five Year Plan is higher than we estimated. On the other hand, the new studies of our national income established that as a result of the realization of the Three Year Plan, our national income increased to a much greater extent than we estimated in our Three Year Plan. In addition, the birth of the Hungarian Stakhanovite movement during the last few weeks, the pledge of extra work on the occasion of Comrade Stalin's 70th birthday, the widening and great upsurge of the production competition, calls our attention to the fact that in the patriotism of the working class and working people, and in their new relation to work, production and the State, we have such latent reserves which would be a mistake not to consider in determining the basic figures for our new Five Year Plan. Our attention is called to this fact also by the gigantic upsurge, by the coming to the surface of new and newer reserves, by the application of ever new production methods on a higher plane which we see in the Soviet Union. These new methods extraordinarily increase the productivity of labour and speed progress. We are in that fortunate situation that we can adopt these methods because the Soviet people gladly place them at our disposal and because our socialism building democratic people's order makes possible the application of these socialist methods in our country.

So we can increase, and we had to increase to a very considerable degree, the Five Year Plan investment sum because we became stronger, because we discovered new and great reserves which could and must be utilized for the rapid development of our people's economy.

THE INCREASE IN INDUSTRIAL AND AGRICULTURAL PRODUCTION

As a result of the development of our people's economy, the value of the whole industrial production in 1954 must reach 186.4% of the 1949 industrial production; heavy industry production must reach 204.3% and light industry 172.9%. The increase in the production value of agriculture is estimated at 142.2%; the increase in the crop value by 135% and animal husbandry 151.1%.

The bill calls for an increase of 50% in the productivity of labour in industry and a reduction of 25% in production costs.

During the Five Year Plan period we will employ almost half a million new physical and intellectual workers in industry.

According to the plan, our national income must by 1954 reach 163% of the 1949 national income. Besides this the industry share in the national income — not counting handi-

craft — from 49.7% in 1949 will increase to 58.7% by 1954. In this is expressed not least the decisive transformation in the economic structure of our country.

Let us see briefly how the development characterized by the above figures compares to the situation in the old Hungary of big capitalists and big landlords. Let us start with investment. In the Hungary of the big capitalists and landlords, in the years of 1928—37, a yearly average of 3.9%, of what was already a very low national income, was invested as compared to the yearly average of 21.4% of the considerably higher national income which will be invested in the people's economy during the plan period of the Five Year Plan. We must also remember that during the old order only a small portion of the investment served the growth of production, the greater portion did not contribute to the growth of the forces of production of the country.

The situation concerning the development of industrial production is that the Hungarian manufacturing industry from 1926 to 1938 — the years of relative stabilization following the First World War and up to the year preceding the Second World War — during these 12 years production increased altogether by 10.6%. In other words the average yearly increase was not even 1%. This snail pace was not very much surpassed by the development of the motor of industrial production, machine manufacturing. In 12 years, the machine manufacturing production increased altogether only by 13.5%, only a little more than the average 1%. Against this, as I already mentioned, the production of our industry will increase by 86.4%, that is a yearly average of 17.2%. This means that the rate of our industrial development is about 18 times as great as that of the pre-war Hungary of the big capitalists and big landlords. But even this great rate of general development will be left far behind by the tempo in development of our heavy industry, machine industry, and especially the machine tool industry.

In the eleven years before the Second World War, the value of agricultural production increased by a yearly average of 1.81%. Compared to this, during the five year plan period the production value of our agriculture will increase by 42.2%, an average yearly increase of 8.44%, that is approximately five times greater than in the old Hungary of big capitalists and big landlords.

The number of workers employed in the manufacturing industry during the twenty-five years preceding the Second World War increased altogether by 75,000. The yearly average increase was 3000. Against this, the number of workers employed in manufacturing industry

in the Three Year Plan period already increased by 200,000 and during the Five Year Plan period will be further increased by 427,000. This means that compared to the yearly average of 3000 before the war, the average yearly increase during the Three and Five Year Plan periods will surpass 85,000, an increase more than 28 times larger than pre-war.

A CAPITALIST COUNTRY COULD NEVER EXPERIENCE SUCH DEVELOPMENT

In the ten years preceding the Second World War, from 1928—29 to 1938—39, the national income increased by a yearly average of 1.7%. Against this the yearly average of the national income in our Five Year Plan period will be 12.6%, an increase more than seven times that of pre-war.

Such a dazzling rate of increase in a people's economy as the increase in our people's economy in the Five Year Plan period is not known, and never will be known, by any capitalist country. Such an increase could be shown only by the socialist economy of the Soviet Union and the economy of the countries of the People's Democracies building Socialism. In this rapid and unbroken development is expressed the superiority of the economic and social order of socialism over the anarchistic capitalist economic order based on exploitation.

The Five Year People's Economic Plan Bill provides for a 35% increase in the standard of living which means that at the end of the Plan period the average standard of living will reach 185% of pre-war. The quantity of goods for consumption by the population however will not be 35% but almost 40%. In planning to raise the standard of living, consideration also had to be given to the increasing population during this period and the quantity of goods per person had to be calculated with this in mind. On the other hand, the full improvement in the standard of living is not expressed only by the increase in the quantity of goods consumed per person. Outside of direct material consumption, there are spiritual matters also which contribute to the raising of the standard of living, such as the general expansion of culture, the improvement of living conditions, the modernization of our transportation network which makes possible faster and more comfortable traveling. Contributing to this also is the fact that hundreds of thousands of workers and working peasants, women and youth, will receive technical training which they never before had.

THE STANDARD OF LIVING UNDER HORTHY

It would be an absolute waste of effort to attempt to compare the rate of increase in the standard of living during the Five Year Plan period, with the rise in the standard of living of the working people in the old Hungary of big capitalists and big landlords, in the manner that I compared the development in investment, industrial and agricultural production, the national income and the growth of the working class. For what kind of development, what kind of improvement in standard of living could there be for the overwhelming majority of our people in the infamous country of "three million beggars"? What rise in standard of living could there be in Horthy Hungary where before the Second World War, the small peasant farms carried mortgages of sixty-seventy pengo per hold? What rise in standard of living could there be where the working class was ruthlessly oppressed, where in the cities and villages there were hundreds of thousands of working people who dragged out a weary existence without work or food? What rise in standard of living could there be where one-third of the numerically small intelligentsia was unable to find positions in their own professions and where the diploma, so difficult to acquire, was not good enough to enable the diploma owner, even with physical work, to eke out an existence for himself and his family?

Our Five Year Plan provides for so great an increase in the standard of living for our working class the like of which could not be dreamed of in the capitalist countries, not only not at this time of developing economic crisis and the mad armament race, but not even in the so-called good old times.

MECHANIZATION OF MINING

The Five Year People's Economic Plan Bill treats in detail with the estimate of production and investment in industry and agriculture and also deals with the development of transportation, commodity circulation and with the necessary instruments for their development. Therefore, here I would like to point out only a few most important, most outstanding circumstances which best characterize the Five Year Plan.

The first circumstance to which we have to address ourselves in connection with the industrial development we wish to attain in the five year period is the necessity for large scale development of our basis for energetics and metallurgy. Capitalist economy has greatly sinned especially in this field. Our coal mining, electric energy production and metallurgy,

quantitatively and technically, were very backward and with the realization of the Three Year Plan we could only overcome this evil to a small degree. But the coal and electrical energy at our disposal, and the level of metal and steel production, is the foundation for the development of our whole people's economy, of which the machine industry is the motor. Considering the aforementioned, we must raise our coal production from the 11.5 million tons in 1949 to 18.5 million tons by 1954, the end of the plan period. In addition to coal production we must, among other things, considerably increase our bauxite and crude oil production. We must mechanize the mining industry. We will promote the increase in mining production with an investment of 2.25 billion forints.

Our production of electrical energy will be increased from 2.2 billion kilowatt in 1949 to almost 4.3 billion kilowatt by the end of the plan period, almost double the amount. This is a gigantic increase under our conditions. But even so we lag behind the most developed industrial countries and we will need one or two more five year plans before we can overcome this lag. We will assist the increase of electrical energy production with a 3285 million forint investment. This large sum will partly serve to modernize the existing electric power plants but mostly however will go to build new modern power plants. Our new power plants will be based mainly on our coal of low heating value. In some power plants we will use natural gas fuel which up to now was not very much used. And in Tiszalök we will build a great hydraulic power plant. We will establish a uniform system for the utilization and distribution of electrical energy and for the better and more economical distribution of electrical energy we will build 850 kilometer new long distance cables and proper distributing stations.

The production of the metallurgical industry will greatly increase. Our iron ore production from 428,000 ton in 1949 will increase to 960,000 ton in 1954, an increase of 125%. Pig iron production during the same period will increase from 890,000 tons to 1,600,000 tons which means a 91% increase. We must invest four billion forints in this large scale development of our metallurgy; we must build new modern high power blast furnaces, new steel and rolling mills, new aluminum and new ferromanganese furnaces, etc.

MACHINE TOOL PRODUCTION AND CHEMICAL INDUSTRY

The machine industry has a decisive place in the industrialization of our country and especially in the rapid expansion of our heavy

machine industry. We will provide even more money for the development of our heavy machine industry than for metallurgy. The investment for the heavy machine industry will amount to 4214 million forints. The machine tool production will have a specially rapid development. In this branch of production — the importance of which cannot be over-emphasized in so far as the industrialization of our country is concerned — in this branch the value of yearly production will increase from 185 million forints in 1949 to 610 million forints in 1954. In other words while our whole industrial production will increase by 86%, and our heavy machine industry by 138%, the growth of our machine tool production will be 223%. There will be a great increase in the production of tractors, automobiles, wagons and locomotives.

Heavy industrial and machine tools will be produced which were never before manufactured. Among others we will produce trolley buses, diesel tractors, combines, tractor corn harvesters, building and road building machines, automatic cotton weaving machines, mining and loading machines, machines for the chemical industry, etc.

Next to the heavy machine industry, from among all branches of our heavy industry the chemical industry will see the greatest development. Here the growth in production will be 138% the same as in our heavy machine industry. The pre-war dependence on imports of the chemical industry is characterized by the fact that the yearly average import of chemicals between 1935—38 was 13% of the total import, a very high proportion. With the rapid rate of development of our chemical industry this situation will be basically changed. Already in 1950 chemical industry imports will drop to 7.3% of the total imports and the following year there will be a further decrease.

During the plan period our chemical industry will start the production of furnace coke from our own coal and by 1954 will produce 450,000 tons. During the plan period we will invest two billion forints in the chemical industry and we will build quite a number of chemical factories.

During the plan period our building industry will have the task to build structures valued at 21,345 million forints; industrial structures of almost six billion forints, agricultural constructions close to 3.4 billion forints, communication structures almost 4.5 billion forints, dwellings and similar buildings about 5 billion forints, social and cultural buildings more than 2 billion forints. It is obvious that neither the building nor the building material industries will be able to fulfill these demands in their present stage of development. Therefore

in order to realize our building plan we have to give special attention to the development of our building material industry and to the modernization and mechanization of its construction methods. We inherited from the old Hungary of big capitalists and big landlords not only a greatly destroyed, but a very backward, building material industry. There was no serious building material industry in Hungary until now. In order to solve our great construction tasks during the plan period we must, on the one hand, supply the necessary building material and on the other hand we must develop our building industry to a factory-like, modern, mechanized big industry. Accordingly we will invest 600 million forints in the building material industry during the plan period and we will build quite a number of new factories. For the mechanization of the building industry we will provide 850 million forints, almost entirely in the first years of the Five Year Plan period.

LIGHT INDUSTRY PRODUCTION

Although the development of the light industry will be slower during the plan period than that of the heavy industry, the light industry will develop at a rapid pace as well. Our textile industry will grow by 52% during the plan period and to achieve this goal we will invest one billion forints in this industry. We will construct new spinning-weaving mills, new combing-spinning mills, new artificial silk mills, new hemp mills; we will modernize the presently operating mills; we will reorganize their production method and so help to considerably increase their productivity.

We will create a basically new clothing industry. This explains why the production of the clothing industry will be increased by 250% during the plan period.

The increase in production of our leather and shoe industry will be 78% according to the five year plan. Factory shoe production, not counting handicraft production, will reach 11.4 million pairs in 1954, out of which 9 million will be leather shoes and 2.4 million rubber shoes. Our rubber industry will increase its production during the plan period by 154%. In the wood industry, the increase in production will be close to 80% and in order to realize this task we have to build new wood-working factories, new furniture factories, new plywood factories, new building and carpenter material factories. In the paper and printing industry we count on a 56% increase in production and we will invest 165 million forints to establish new plants and to modernize the existing plants. Appreciable development will be attained by the agricultural industry where the production, during

the plan period, will be around 70%. In order to achieve this great increase in production, in addition to taking other measures, we will have to invest close to 1.4 billion forints in the agricultural industry. We will build new flour mills, meat product plants, poultry product plants, bread baking plants, cold storages, warehouses, starch producing plants, etc., and we will modernize the existing plants.

An important supplement to our manufacturing industry is the handicraft industry, whose production will not be reduced in spite of the great development in the manufacturing industry. Here the task is to direct the handicraft industry to produce products which it is able to produce more favourably or in better quality and we will use it very extensively for making repairs. The small industrial producer cooperatives based on voluntary association will be supported.

NEW TECHNICAL METHODS

The accelerated industrialization demands the introduction in the various branches of industry, during the Five Year Plan period, of technical processes which up to now were little, or not at all, applied in Hungary. So in mining we must universally adopt machine mining and we have to widely use modern equipment and loading machines, conveyor rubber and scraping belts in the loading of wagons and cars. In metallurgy we have to establish magnesium metallurgy. In machine production we must turn to the production of a large number of hand and machine tools. In the leather industry we have to use fast tanning process, etc.

In order to develop our industry and increase its productivity it is essential to better organize, rationalize, standardize and specialize production. Therefore we must wherever possible, and especially in mass production, introduce the constantly moving production method — the conveyor belt system. We have to rid ourselves of the inheritance from the capitalist system which hampers production in many of our plants, that is, their veritable department store character. They are producing many dozens of different commodities. We have to see to it that no plant shall produce more than two or at the maximum three main products. We must organize the closest cooperation between our plants and in such a way that the production of one product is not divided among too many plants. In realizing all these measures we should bring forward our very great untouched reserves who bring with them immeasurable potentialities.

But naturally we must not only guarantee the utilization of the existing and already

functioning plants; we must not only squeeze out of existing technique everything we can; but in addition we must install thousands of new machines in our present plants which will mechanize most of the work now done by hand — especially that which is heavy and harmful to health — and so lighten the labour of the workers. But more than this, as the bill provides, we will build 263 new industrial plants during the plan period. Among them 35 will be iron, metal and machine industry plants, 21 mines, 38 chemical plants, 20 electric power plants, 20 textile and clothing plants, 2 leather and shoe factories, 12 wood-work and paper manufacturing plants, 71 agricultural industry, 29 building material industrial plants, etc.

During the Five Year Plan we will guarantee that the areas lacking industrial development will be transformed into industrial cities, such areas as: Debrecen, Hodmezovasarhely, Bekescsaba, Mako, Szolnok, Kecskemet, Kaposvar, Zalaegerszeg, Esztergomo, Kalocsa, Eger, Szekesfehervar, Szombathely, Veszpreme, Nyiregyhaza, Gyongyos, Szekszard. In addition to greater Budapest we will establish two new industrial centers.

With the Five Year Plan, as our bill emphasizes, we will change the map of the social economy of our country.

THE MODERNIZATION OF AGRICULTURE

As is known one of the main tasks of our Five Year Plan People's Economic Plan is to put an end to the backwardness of our agriculture and to increase its production to a considerable degree. A decisive instrument in the realization of the established task is the large scale mechanization of our agriculture and, together with this, to extend large scale modern socialist economy to agriculture. Naturally, in order to develop our agriculture and liquidate its backwardness we have to utilize all other available means in addition to mechanization. We have to increase the supplementation of soil fertility. We have to be sure to provide our whole agriculture with cultured seed. We have to expand irrigation. We have to carry on soil improvement over a considerable territory. We have to begin the planting of protective forest belts. We have to give special attention to the application of developed agro-technical methods and we must put an end to the indifference in many places to the demands of agro-technique in some branches of production, as for example in the production of sugar beet.

The development of our animal husbandry will be secured on the one hand by the propagation of our livestock and on the other hand by the improvement in quality. For this

it is necessary to considerably increase our forage production and not least to increase the production of fodder and to improve our animal stock partly by import and partly with the help of artificial insemination. It is necessary through mechanization to considerably reduce the yoking of cows. We have to take great care to develop health regulation for the animals.

As I already stated, mechanization is the main instrument for the liquidation of the backwardness in our agriculture. Therefore, in the plan period, from the investment of State means in agriculture, more than half will go for mechanization. As a result of this mechanization, in 1954, every hundred hold of arable land will have 8.5 horsepower. The number of State tractors will be increased to 22,800 and 60% of the arable land of the country will be cultivated by tractors. The tractor stations are the main means for mechanization. During the plan period the number of these will be increased to 500 and the number of their tractors to 20,000. And naturally, our agriculture will not only get tractors — not only ploughing tractors but universal tractors — but also other most varied machines in large number: close to 1500 combines, more than 2500 new threshing machines, potato planting and potato digging machines, selectors, trucks and a large variety of agriculture machines in a very large number.

At the end of the plan period we will greatly increase the quantity of artificial fertilizer placed at the disposal of agriculture. In 1954 this quantity will be four and half times greater than in 1949. The utilization of natural fertilizer will also increase considerably.

In the production of quality seed and as a result of the realization of the Five Year Plan our aim is to provide our whole agriculture with cultured seed and so realize the methodical seed changing proscribed by agricultural science.

We will increase by 118,000 hold our irrigated territory during the plan period and with this our irrigated territory will increase to altogether 164,000. We will conduct soil improvement on 30,000 hold alkaline soil and on 70,000 hold acidic soil. We do not orientate on a larger territory because during the five year plan period we must experiment thoroughly with the various methods for soil improvement so during the second five year plan period we can finally solve the improvement of the alkaline and acidic soil of our country. These measures together with the considerable expansion of large scale economy will guarantee the increase of production provided for in the Five Year People's Economic Plan Bill by

grain as well as by the other arable land produce, meadow and pasture land, by garden, vineyard and orchard territory. It is already known that the yield of wheat will be increased by 13%, rye by 27%, corn by 25% and sugar beet by 40%.

Similarly, the various measures for the development of livestock must guarantee, according to the bill, a more than 50% increase. Besides the general large scale increase in our livestock we have to achieve an average 20% increase in the milk yield of one cow; and 18% increase in the slaughter weight of fattened pigs; a 13% increase in the yield of sheep wool.

THE STATE FARMS AND PRODUCER COOPERATIVES

The bill before the Parliament gives great consideration to the development of the socialist sector of agriculture. It provides for the State farms, which are consistent socialist large plants and which as model farms are the centers of cultivation of agricultural science, to be developed in the coming five years to an appreciable economic force. The State farms set the example for our working peasantry and with their development will provide more and more examples of how to attain higher production results. Already this year, their crop far surpasses the crop of the private farms. So the national wheat crop this year is 7.5 metric centner (220.46 lbs.) per hold and in the State farms 9.6. Rye, 6.8 and on the State farms 8.53; autumn barley 9.12 and 12.65 metric centner. But there are such State farms where much better results were achieved. Providing our whole agriculture with cultured seed depends decisively on the State farms. Beyond this however they must provide grain and food to an increasing degree for the non-agriculture population. In accord with the importance of our State farms we propose a very large sum, about 1½ billion forints, to be invested during the plan period.

In the plan period we have to give far-reaching support to the agriculture producer cooperatives, — the voluntary association of our working peasants for the collective cultivation of the land, — as the large scale farming which is on the road toward socialism and guarantees the prosperity of the peasantry. Our producer cooperative movement is still very young. Actually it is only one year old but has already achieved appreciable successes. These successes are expressed not only in the fact that during one year the number of peasant farms participating in the producer cooperatives increased to more than 40,000 and that the area per member reached 8 hold. This success is expressed also by the fact that

already now in the first year, when these cooperatives naturally are wrestling with the initial organizational tasks, their crop on the average is already larger than of the privately operated peasant farms. Moreover, it is larger than the national average which to a certain extent is increased by the larger crop of the State farms. The larger crop of the producer cooperatives was already seen this year in all branches. Especially great is the difference in rye where as against the national average of 6.8 metric centner the producer cooperatives reached an average of 8.2; in autumn barley against the national average of 9.12 metric centner the average of the producer cooperatives was 10.7. Many producer cooperatives achieved excellent results — the wheat crop in the Ujkigyos producer cooperative reached 15.75 metric centner per hold, the Szarvas Dozsa group 15 metric centner in rye, the Bonyhad Istvanmajor group also from rye 15 metric centner, the Nagykörös Szabadság producer cooperative group, from autumn barley, 12.25 metric centner, etc.

The Five Year Plan provides 875 million forints investment for the development of the producer cooperatives. Besides this, our plan provides large sums for investments which mostly serve the development of the producer cooperatives.

In the Five Year Plan period the tractor stations, the State farms, the producer cooperatives will help not only to increase the crop, but will simultaneously basically transform the society of the rural districts; will bring a turn toward the socialist reorganization of agriculture; will guarantee laying the foundation for socialism in agriculture — and with this the prosperity of the peasantry — and guarantee their close alliance and ties with the working class.

Before we proceed to the section of our Five Year Plan which deals with transportation we have to talk briefly about our forestry, which is a part of our agriculture. Our forest economy is in the main nationalized and thus is the property of the people. We know how deteriorated this economy was when we took it over from the old Hungary of the big capitalists and landlords, and how for decades they exploited the forests. In the Five Year Plan period we have to so economize our forest treasure that we can begin, and create, the conditions for the liquidation of the damaging consequences of this capitalist robber economy. Therefore we have to guarantee that wood stock of our forest should increase yearly on the average of 300 thousand cubic meters. We have to afforest 50,000 holds, we have to reforest 70,000 holds and reconstruct lumber camps on 40,000 holds.

Our transportation at the end of the plan period must exceed by 60% the performance capacity of 1949. It the development of our transportation the emphasis is on our railways, though we will develop all branches of transportation — our road net, our automobile stock, our shipping, civil aviation and all means of local and long distance transportation. We will build a new 150 kilometer railway line, a new 605 kilometer concrete road, a 310 kilometer macadam road, 2250 kilometers of new connecting roads. With the construction of six bridges across the Danube, four across the Tisza and other smaller bridges, we will fully complete the reconstruction of our bridges. Outstanding among the new transportation achievements will be the Budapest underground railway, the first line of which will be completed already during the plan period.

With the expected increase in commodity circulation and with the change in the structure of our people's economy we must increase considerably the network of State and cooperative shops. To better serve the public we will build 15 new large State general shops, we will increase the number of food shops and we will open, in considerable number, new specialized shops.

INCREASED CONSUMPTION

I already outlined in general the rate of increase in the standard of living during the plan period. To supplement, I would like to digress to a few concrete problems which characterize the great increase in the standard of living of our working people. First must be mentioned the consumption of food and first of all the considerable increase in the per capita consumption of meat, fat, sugar, milk and milk products. The average increase in the consumption of these food items will be 35%, which corresponds to the average increase in the standard of living. The increase in industrial articles is considerably higher: in cotton fabric 40% and wool fabric 51% per capita increase. And this is natural for at a given point in the consumption of food, even in those of greater food value, a saturation point is reached; and the more satisfied the population is with consumer goods the greater is their desire to satisfy their need for industrial articles, culture, etc.

The rising standard of living is served also by the 180,000 new dwellings which must be built in the plan period. Never before in Hungary was there such housing construction. Similarly, the greater production of furniture will contribute to the improved standard of living. In 1949 we produced furniture for 37,400 rooms. Compared to this in 1954 we

will produce furniture for 92,000 rooms. In other words, our furniture production will be two and a half times that of the present. The production of cameras, during the plan period will so increase that we will produce 140,000 cameras in 1954 as against 65,000 in 1949. Watch production will also be increased from 15 million forints value to 40 million. There will be a great increase in the production of housekeeping machines, washing, dish washing and other kitchen machines and a whole number of electrical appliances which, when placed at the disposal of the population, will greatly lighten the work of our housewives. To the joy of our children we will so multiply the production of chocolate, bon-bons, candy and pastries that there will be three pieces of pastry per day for every child up to ten years of age — naturally only providing that the sweet-toothed adults do not gobble them all up.

THE HEALTH OF THE WORKING PEOPLE

The Five Year People's Economic Plan takes great care to develop institutions which guarantee health protection, working ability and rest to the working people and first of all to the working class. For this a 1080 million forint investment is provided. We will considerably increase the number of hospital beds. The number of maternity homes will be increased from 98 to 155. Nurseries, which were increased from 1200 in 1938 to 5000 today, in the last year of the Five Year Plan will be increased to 11,000. We will establish a large number of new day homes. We will establish 306 new village medical consulting rooms, 20 new tuberculosis care centers and 71 new people's bath houses. We will increase by 200,000 the number of participants in organized recuperation and, among other things, we will establish two new modern mountain health sanitoriums.

CULTURAL ENHANCEMENT OF OUR PEOPLE

The Five Year People's Economic Plan Bill provides a tremendous program for the development of education, culture and science. Here the task is, in the plan period, to finally liquidate the cultural monopoly of the ruling classes, guarantee the cultural enhancement of the working class, and in general of the working people, through the schooling of the children of workers, working peasants and intellectuals, to train the tens of thousands of leaders and technicians needed by the country.

To accomplish this we must first of all see to it that every child finishes the eight class of the first grade school and we have to eliminate the diminishing of students in the higher grades. To realize this task we need 12,000 new pedagogues, we have to build many new schools and school rooms. In the second grade school we must increase the number of students by 45,000 during the period of the Five Year Plan and we have to build 30 new high schools.

We have to especially develop industrial technical training and in order to achieve this we have to increase the number of school rooms in the industrial apprentice schools from 167 to 500. In the agricultural technical schools we must increase the number of students in the lower grades by 97,000 and in the middle grade by 9000. The number of students in the universities and academies must be increased by 8000 and to guarantee this we must build a new technological university in Miskolc. We must enlarge the Veszprem chemical branch of the Budapest University of Technology and we have to develop further all the existing universities, and not least, the University of Agronomy and the University of Economic Science.

So large a development in our school programme demands that special consideration be given to the housing and feeding of the worker and working peasant youth. This could be achieved first of all by the further development of the proven system of State boarding houses, the spreading of the net-work of university eating rooms and the systemization of stipends. Therefore, in addition to the enlargement of the university eating rooms, we provided for the housing of an additional 7000 in the State boarding houses.

In spite of all our effort there will be a lack of technicians in many fields during the plan period. The need for engineers, economists, plant managers and agricultural technicians will be especially great. Our people's economic plan takes into consideration the increasing need for technicians and as far as possible seeks to satisfy this need. Therefore, we must orientate toward receiving at least 2000 new engineers each year during the plan period from our technological universities and technical high schools. In training technicians for agriculture, we must make sure that in five years we train 160,000 technicians with varied levels of technical training and that from among them there should be 13,000 who will have received the highest technical training.

Our People's Democracy provides ever greater support to scientific work and to the men of science. In a country building socialism this is natural, not only because only the people

and the State power of the people can fully appreciate and esteem the men of science, but because it is obvious that our wonderful Five Year Plan can be realized only with the active cooperation and assistance of science. I will mention only a few of those very important problems which our industry, communication and agriculture expects scientific research and the men of science to solve. A solution must be found for the direct processing of the bauxite iron ore to iron and the by-product furnace slag to be worked up for cement and alumina. We have to solve the problem of smelting the residue from the burned pyrite. We have to find the proper method for the pre-treatment of coal in connection with making coke out of coal from Komlo and Borsod and also the method for discovering Karst water. We have to continue increasingly the search for and the opening of new oil fields with the application of the method of geology and geo-physics. We have to improve the possibilities for the retapping of oil. We have to make possible the native production of heat- and acid-resisting tool steel. We have to experiment with the profitable use of synthetic materials and aluminium as substitutes for all those raw materials which are scarce in our country such as iron, copper, nickel, tin and wood.

Through scientific research we have to find the method for the most economical and simplest utilization of our low heatvalue coal, peat and lignite. We have to perfect our heating equipment to use our coal species. In the field of agriculture we have to experiment — and this is a very serious task — with the clover rotation of crop, a system so excellently proved in the Soviet Union, and apply it to our conditions. We have to acclimatize new plants such as, for example, cotton, with which we want to plant one hundred thousand holds in the last year of the plan period. Furthermore, we must experiment with the domestic cultivation of branched wheat, of tea, citrus and rubber plants, etc. We must put on a scientific basis the method for improving the alkaline and acidic soil. The scientific method of afforestation must also be worked out, etc., etc. To realize these great tasks it will become necessary to invest a considerable sum for the restoration of our scientific institutes, for their development and for the establishment of new institutes. Therefore our Five Year People's Economic Plan provides 200 million forints for such investments. Not included in this amount, naturally, are the necessary expenses for upkeep and activities of the scientific institutes. These are provided by the regular State budget and not by the Five Year Plan. During the plan period we will build a new large modern physics institute,

besides many other new scientific research institutes. We must give all necessary support to the reorganized Academy of Science in order to enable it to fulfill its task and first of all to become the center of the methodical research of natural science and technique; of research which will serve the development of the productive forces of the country.

SUPPORT TO THE ARTS

In addition to the sciences, our People's Democracy is deeply concerned with the development of the arts. The Five Year People's Economic Plan Bill provides 70 million forints for the development of art institutes and education. The plan provides a worthy home for Hungarian dramatic acting because we will build a new national theatre and will build also a new theatre in Győr.

In the plan period we will increase the publication of books so that while in 1938 there was published only one book per person we now will publish 3.3 books per person. To advance the culture of the people we will build a whole network of cultural centers, factory clubs and city and village libraries. Already in the third year of the Five Year Plan period there will be libraries in every village and tractor station. In every village there will be a 35 or 16 mm film projector, radio, electricity and telephone. Connecting roads will connect them with the network of national communication. To improve the living conditions of the peasantry and to overcome their cultural isolation we will establish 250 farm centers. We will drill 2000 new wells and we will install electricity in 1512 villages. We will provide more than one billion forints to help satisfy the cultural needs of the peasantry.

The bill now before Parliament provides a very considerable sum for the development of sport and the various branches of physical culture. Our People's Democracy achieved important results in this field but we cannot be satisfied with the results so far obtained. We must make it possible for sport to become a mass movement in the real sense of the word; and so that the youth especially should participate in sport we should establish a very broad base for the selection of outstanding sportsman. In consideration of all this we made provision for the building of five hundred new sport fields and other large sport establishments during this Five Year Plan period and we find it necessary to hasten the building of a new large peoples' stadium.

A constant, very important consideration of our government, our Hungarian Working People's Party and especially of the leader of

our Party, Matyas Rakosi, was the reconstruction and beautification, the development of communication and community service and its modernization, the improvement of the housing conditions of our capital which suffered so much during the war. We have to be occupied with these problems the more now when Parliament enacted the law for the establishment of Greater Budapest and when we have to guarantee that the suburban areas which became an organic part of Greater Budapest should be raised from their neglect and embraced by the Budapest community and guarantee in all respects the rapid development of the former suburban areas to the level of the older Budapest districts.

Honoured Members of Parliament: Comrades: Great are the accomplishments which were achieved with the rapid and successful realization of our Three Year Plan. But greater are the tasks which have to be realized during the new Five Year Plan period. We would err if we would take this matter lightly, if we become dazzled by the truly great successes achieved so far, if we got dizzy with success and underestimated the scope of the effort which is demanded of our people by the Five Year People's Economic Plan. We shall not forget that the results of the Three Year Plan did not fall like manna from heaven, for no manna has rained on people since the origin of the bible. We had to conduct a very hard struggle against our internal and external enemy for the success of the Three Year Plan and the success of the plan was guaranteed not least by the fact that in this struggle the Hungarian working people came out the victors.

Our working class, our people, had to work hard for the success of the Plan. To guarantee the success of the Plan we had to undertake great educational work. We had to make the working class and the working people conscious of the fact that their place and position in the country was basically changed, that now they produce and build, not for the capitalists and landlords, but for themselves and for the new future socialist Hungary, free from exploitation. It is to the undying merit of the Hungarian Communists, of the Hungarian Working People's Party, of the beloved leader of our Party and country, Comrade Matyas Rakosi, that they led the working class and our working people to the recognition of this new situation and with this made possible the bringing to the consciousness of our working class and working people this change in their relation to production and so to the realization of our Three Year Plan.

Undoubtedly, Parliament will adopt and will enact into law the Five Year People's Economic Plan Bill. This act is very important

but with this the success of our Five Year Plan is not guaranteed by far. "For us the Five Year Plan, as all plans, is only a plan, that is, an approximation of our task which must be concretized, which must be perfected, which will be changed on the basis of local experience, of the experience of the realization of the plan. No five year plan is able to measure all the possibilities which lie dormant in our social order and which come to the surface only during work, during the realization of the plan in the factory, in the plant, on the collective and State farms, in the districts, etc. Only bureaucrats can think that with the drafting of the plan, the plan work is finished. The drawing up of the plan is only the beginning of planning. Real methodical leadership develops only following the drawing up of the plan, only during its control below, during the realization, correction, perfection of the plan." (Stalin)

It is obvious that these warning words of Stalin refer to our plan work far more than to the Soviet Union.

The success of our Five Year People's Economic Plan, just as the success of the Three Year Plan, depends first of all on us, on the work and struggle of our working class and people and on the correct policy of our Party and government.

The success of the Plan depends on the concentration of the decisive means of our State and people for the realization of the decisive tasks; that we tolerate no waste; that we economize with the wealth of the State and people.

It depends furthermore on the broadest working masses — workers, peasants and intellectuals — working in a disciplined, enthusiastic, conscious manner for the realization of the plan. It depends on our developing labor competition, shockworker and Stakhanovite movement, becoming even more the motive power of our development.

It depends also on the unity of the entire Hungarian people under the leadership of the Hungarian Working People's Party and the working class in the work to build the country, against reaction, the exploiters, the agents of foreign imperialism and on our exercising on all fronts the greatest vigilance against the internal and external enemy.

OUR FRIENDSHIP WITH THE SOVIET UNION AND THE PEOPLE'S DEMOCRACIES

But for the success of our Five Year Plan, besides the internal conditions there are external circumstances. Our country is not alone in building socialism. In building socialism we can and do count on the friendly support

of the country which has established socialism, the great Soviet Union, on the close economic cooperation of the Soviet Union and the countries of the People's Democracies; on the new relationship between countries and peoples which are based on solidarity and which differ in principle from our economic relations, and all other relations, with the capitalist countries.

The guarantee for our development is that we should deepen in all fields the friendly cooperation with the leader of the anti-imperialist peace camp, the Soviet Union, and with the forces of progress and democracy all over the world; for the defense of peace, for the security of our constructive work.

This way we can march securely with our Five Year Plan toward socialism.

CHRONICLE OF EVENTS

CONFERENCE OF GREATER BUDAPEST PARTY FUNCTIONARIES TO DISCUSS THE RESOLUTIONS OF THE INFORMATION BUREAU

On December 6th in the Budapest Sport Palace an enthusiastic gathering listened to the report of Comrade János Kádár, Minister of Interior. Comrade Kádár pointed to the great enthusiasm with which the Hungarian Working People's Party received the resolution of the Information Bureau and stated that: "Before this meeting of Greater Budapest Party actives we can promise that our Party will employ with honor this new effective weapon in the struggle against the imperialist foes and to further strengthen the Hungarian People's Republic . . . We still have the great task to form a united youth organization and to organize the working women". Reviewing the question of peace he emphasized that the central task for the Party actives is the defense of peace and the struggle against the war incendiaries. This must be the central question also for the actives in the trade unions, women, youth and all other mass organizations; for our allied parties in the People's Front and the non-party masses as well. In the spirit of the Information Bureau resolution we call upon all those who wish a lasting peace to join together in its defense.

He spoke of the activities of the Tito murder and spy gang and of its dangers. He stated that our Party and the Hungarian working people learned their lesson through their own experience. The activity of the Rajk gang and its unmasking clearly exposed to the Hungarian working people not only how the spies, Rajk and company, wormed their way into our ranks, but also of their district spy chief, Tito and his accomplices. The Hungarian working people will long remember the method by which Tito, Rankovic and company, utilizing Rajk and the Hungarian accomplices, attempted to turn our free country into a colony of the imperialists. The results of the Rajk case clearly illustrate to the imperialists as well that the Hungarian Working People's Party and the Hungarian working people unhesitatingly and to one man were determined to frustrate the penetration efforts of the imperialists and they should now be convinced that such will be the case in the future also.

HISTORICAL PARLIAMENT SESSION OF THE HUNGARIAN PEOPLE'S REPUBLIC

MINISTER OF STATE, COMRADE ERNŐ GERŐ,
INTRODUCED THE FIVE YEAR PEOPLE'S
ECONOMIC PLAN BILL

On this occasion the working people sent telegrams of greetings to Parliament. In this spirit also the workers of Csepel's W. M. factory, the country's largest iron plant, sent their greetings: "In the name of the workers of Csepel W. M. we greet with warm affection the first socialist Five Year Plan and its creator, the Hungarian Working People's Party. Following the successful completion of the Three Year Plan, our orientation is to eliminate our shortcomings and to develop labor competition to a broad mass movement in order to be able to realize the tasks of the Five Year Plan. An example for us is the Soviet Union and its highly developed industry, a level attained through the successful realization of the Stalinist five year plans. In our Socialist industrialization we will follow the guidance of our Party and the great Soviet Union. We will begin the Five Year Plan by extending our political and technical knowledge and by increasing productivity so that, in this manner also, we will deliver a blow to the imperialist war inciters. Long live the Five Year Plan. Long live the creator of the Five Year Plan, the Hungarian Working People's Party and its wise leader, Comrade Mátyás Rákosi. Long live those who will realize the Five Year Plan — the Hungarian working people.

MINISTER OF FINANCE COMRADE ISTVÁN KOSSA INTRODUCED THE BUDGET OF THE HUNGARIAN PEOPLE'S REPUBLIC

This is the largest budget in the history of the Hungarian people. Comrade Kossa said: "The budget for 1950 already closely approximates a socialist budget. What is the difference between socialist and capitalist state budgets? The difference is shown alike in the character and source of income and the aim and method for its utilization. The main source of income in a capitalist state is taxes which the capitalists extract from the working people. As opposed to this, the major portion of our income is derived from the establishments whose billions

in the past went into the pockets of the capitalists. Today we have already opened up this new source of income, which is unknown in the capitalist countries, and is possible only in the countries where the workers are the masters of the means of production. With labor competition, intensification of productivity, modern utilization of the old means of production, such results were obtained which released ever newer sources of income to the budget which changed its character. The total expenditure in the 1950 budget will be 17,454 million forints and the total income 17,537 million forints, allowing a surplus in the 1950 budget of 83 million forints”.

BILL ESTABLISHING GREATER BUDAPEST

Comrade József Köböl explained the bill fixing the new territory of Greater Budapest. The first speaker on the bill was Comrade István Kovács, secretary of the Greater Budapest Party Committee. He pointed out that under the old regime these reforms were promised for fifty years but were never realized because of the fear that the working class would become too strong. The reactionaries feared that with the addition of the workers from the suburbs the role of the working class in Budapest would increase. They feared that a strengthened working class would be more united in the struggle for their rights. They knew that a unified Budapest would make more difficult the oppression and exploitation of the workers. The working class, augmented with the masses from the suburbs, would predominate in spite of the election frauds and at least would have greater influence in the municipal committee of the capital. The leaders of the old regime split up the working class by dispersing them around the city and played the cities and towns against each other. The Hungarian People's Democracy and its leader, the Hungarian Working People's Party, approves the unification of Greater Budapest because this will considerably improve the social composition of the capital. With the unification, the weight and leadership of the working class on the whole life of the capital will be greatly accentuated. Budapest, with its population of 1,600,000, becomes the seventh ranking capital in Europe.

THE REBIRTH OF THE HUNGARIAN ACADEMY OF SCIENCE

Comrade Erzsébet Andics, university professor, reported on the Bill. She emphasized that the socialist transformation of the Hungarian economy and society can come about through discovering the necessary conditions, coordinating the necessary factors and through scien-

tific means. The Hungarian Academy of Science must serve social progress and will be healthy only to the degree that it develops Hungarian science in the spirit of Marxism—Leninism.

THE HUNGARIAN MINISTRY OF FOREIGN AFFAIRS FIRMLY REJECTED THE BRITISH—AMERICAN NOTE IN THE CASE OF THE SPIES — ROBERT VOGELER AND EDGAR SANDERS

It was established that Robert Vogeler (American) and Edgar Sanders (British) built an extensive spy organization in Hungary and continually committed considerable espionage and sabotage acts against the interests of the State. As a legal cover for their sabotage and espionage activities they used the organization and business connections of the Hungarian Standard Works. In addition they enlisted as spies elements who were not connected with Standard but were occupied exclusively with espionage activity. The Hungarian Ministry of Foreign Affairs emphasized that we are unwilling to guarantee freedom of action and immunity to spies, saboteurs and other enemy agents.

THE FORMATION OF A STATE CENTRAL CONTROL OFFICE

In conformity with the Constitution, the Council of Ministers deemed it necessary to establish a new type of State central control based on the broad masses of the working people. This organ will control how the decisions of the State's highest bodies are executed by administrative and State establishments and whether the wealth of the nation is properly managed.

NATIONALIZATION OF PLANTS EMPLOYING MORE THAN TEN WORKERS AND THOSE OWNED BY FOREIGN CAPITALISTS

At the Sport Palace meeting of plant managers, in which both Party and trade union leaders participated, Minister of State Comrade Gerő explained the decision of the Council of Ministers on the nationalization of the industrial and transportation enterprises employing more than ten workers. He said: “Today, on the proposal of the Hungarian Working People's Party, the Council of Ministers adopted a decree with the power of law relative to nationalization in the field of industry and transportation. Our economic and political development made possible, and the Five Year Plan made necessary, that following the nationalization of the large and medium sized industries, the entire manufacturing industry should be nationalized

by also nationalizing the plants employing more than ten workers and those owned by foreign interests. With the present nationalization the Hungarian people received all the foreign enterprises which were untouched by the 1948 nationalization. Involved are such large enterprises as Standard, the Telephone factory, Shell, Vacuum, First Hungarian Thread Factory, Buda-Kalász Textile Mills. The majority of these were used by the imperialists, through their owners and managers, as cover organizations for building up their spy network and sabotage acts. We are preventing the use of

these enterprises for subversive activities, for spying and sabotage acts against our People's Democracy. The present nationalization decree does not effect small industry and trade, and neither does the government plan to nationalize the small industry and trade in the future, because they fill important economic tasks. The Hungarian government wishes to make possible the employment of these small businessmen in the production work of our democracy. For that reason the decree stipulates that they should be given positions corresponding to their trade and ability."

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